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MINORITY MEDIA AND TELECOMMUNICATIONS COUNCIL

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November 11, 2003

Hon. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: MB Docket No. 02-277 (Omnibus Broadcast Multiple Ownership Proceeding)

Pursuant to 47 CFR §1.1206, this will disclose that in connection with this permit-but-disclose proceeding, MMTc held a meeting with Commissioner Jonathan Adelstein and Johanna Mikes, Esq., Legal Advisor to the Commissioner, at 3.00 PM on November 6, 2003. MMTc was represented by Francisco Montero, Esq. and myself.

At this meeting we discussed: (1) the potential adoption of incentives to promote minority or disadvantaged broadcast ownership, (2) the desirability of a transactional nondiscrimination rule, (3) the impact of Grutter v. Bollinger, 123 S.Ct. 2325 (2003) on the FCC's racial diversity jurisprudence, and (4) the possible creation of a new class of medium power (e.g. 1,000 watt) FM stations designed to serve small communities. The points we made concerning these matters were all drawn from our pending Petition for Reconsideration in this docket (filed September 4, 2003).

We provided two handouts, copies of which are attached.

An original and two copies of this letter are being filed with the Secretary.

Sincerely,

/dh/

David Honig
Executive Director

Attachments

cc: Hon. Jonathan Adelstein
Johanna Mikes, Esq.

cc (by e-mail, w/o attachments):

Francisco Montero, Esq.
/dh



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October 30, 2003

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MMTC'S TOP PRIORITIES

1. Winning incentives for minority broadcast ownership
2. Securing access to opportunity, including transactional nondiscrimination
3. Upholding the constitutionality of narrowly tailored race-conscious broadcast ownership initiatives
4. Optimizing the spectrum resource to increase the numerosity and value of minority owned broadcast properties
5. EEO enforcement that is diligent enough to make adjudications generally unnecessary

* * * * *



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THE DISPARITY BETWEEN MINORITY AND NONMINORITY RADIO OWNERSHIP

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For the statistics provided below, data for minority controlled stations includes data in four publicly traded companies, each of which is controlled by minorities. Like the FCC, we refer colloquially to all of these stations as "minority owned." All references below are to commercial stations.

A. Number And Value Of Stations Owned

1. In 2001, there were 13,018 radio stations, of which 548 (4.2%) were minority owned and 12,469 (95.8%) were nonminority owned. We calculate that the asset value of minority owned commercial radio stations is now approximately 1.3% of the total asset value of all commercial radio stations (MMTC estimate, 2003). This means that the typical minority owned station is worth only about 30% of the value of the typical nonminority owned station. We call this the "Radio Asset Value Gap."
2. Of the 4,781 AM stations in 2001, 283 (5.9%) were minority owned and 4,498 (94.1%) were nonminority owned. See "Radio Local Market Consolidation & Minority Ownership," Kofi Ofori (MMTC, March, 2002) ("Ofori") (using BIAfn's 2001 database).
3. Of the 8,236 FM stations in 2001, 265 (3.2%) were minority owned and 7,971 (96.8%) were nonminority owned. See Ofori.
4. Of the 548 minority owned stations in 2001, 283 (51.6%) are AM stations; of the 12,469 nonminority owned stations, 4,498 (36.1%) were AM stations. Thus, a minority owned station was 43% more likely than a nonminority owned station to be an AM station. See Ofori.

(continued)

B. AM Facilities

1. Minorities own none of the 25 unduplicated AM "clears." Those licenses were typically given out in the 1920s, a generation before minorities owned any radio stations. See Ofori.
2. Of the 283 minority owned AM stations in 2001, 23 (8.1%) operated between 540-800 kHz. Of the 4,498 nonminority owned AM stations, 569 (12.7%) operated between 540-800 kHz. Thus, minorities were 36% less likely than nonminorities to own these low-band facilities. This means, also, that only 3.9% of the low-band AM stations were minority owned. See Ofori.
3. Of the 283 minority owned AM stations in 2001, 96 (33.9%) operated between 1410-1600 kHz. Of the 4,498 nonminority owned AM stations, 1,277 (28.4%) operated between 1410-1600 kHz. Thus, minorities were 19% more likely than nonminorities to own these high-band facilities. See Ofori.

C. FM Facilities

1. Of the 265 minority owned FM stations in 2001, 20 (7.5%) were full Class C's. Of the 7,971 nonminority owned FM stations, 895 (11.2%) were full Class C's. Thus, minorities were 33% less likely than nonminorities to own these most powerful FM stations in the country. This means, also, that only 2.2% of the full Cs were minority owned. See Ofori.
2. Of the 265 minority owned FM stations in 2001, 128 (48.3%) were Class A's. Of the 7,971 nonminority owned FM stations, 3,185 (40.0%) were Class A's. Thus, minorities were 22% more likely than nonminorities to own these lower power facilities. See Ofori.
3. Of the 87 minority owned FM stations in the top 50 markets in 2003, 21 (24.1%) were licensed to the dominant community in the market. Of the 897 nonminority owned FM stations in the top 50 markets, 343 (38.2%) were licensed to the dominant community in the market. Thus, minority owned stations were 37% less likely to be licensed to the dominant community in the market as were the nonminority owned stations in the same markets. See "Minority and Nonminority Commercial Radio Owners' Holdings in the Top 50 Markets," MMTC, September 4, 2003.